

# Arbor Ridge Condominium Association 2002 Annual Report

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## Financial Highlights

	Closing Balance 2002	%Change
<b>Income</b>		
Association Dues/Fees	\$ 36,767.95	
Interest Income	\$ 311.15	
Total Income	\$ 37,079.10	16%
<b>Operating Expenses</b>		
Administrative		
Administrative	\$ (11.74)	-74%
Bank Charges	\$ -	-100%
Legal Fees	\$ 1,573.00	-38%
Management Fees	\$ 4,383.00	43%
Postage	\$ 223.14	201%
Print/Copy	\$ 400.52	149%
Taxes	\$ -	0%
Audit/Review	\$ -	-100%
Insurance	\$ 1,295.00	6%
Utilities		
Electric	\$ 79.02	
Water/Sewer	\$ 524.00	-30%
Landscaping		
Gen. Maintenance - Labor	\$ 1,418.27	52%
Fertilization/Tree Trimming	\$ 1,689.00	4%
Maintenance - Other	\$ 655.80	-65%
Lawn Contract	\$ 8,434.00	52%
Snow Removal	\$ 4,052.15	40%
Asphalt Seal/Repair	\$ 5,329.00	--
Sprinkler Maintenance	\$ 538.39	10%
Miscellaneous	\$ 396.68	
Total Operating Expenses	\$ 30,979.23	42%
<b>Net Operating Income</b>	<b>\$ 6,099.87</b>	<b>-40%</b>
<b>Assets</b>		
Checking	\$ 2,028.81	
Reserves	\$ 24,957.08	
Total Assets	\$ 26,985.89	-3286%

## Notes to Financial Highlights

- Results are combined from Ann Arbor Realty and Triangle Management.
- Association Dues/Fees included income from late fees, and \$1322.89 in reimbursement for legal fees resultant from collection proceedings.
- Taxes for calendar year 2002 will be paid in 2003.
- Miscellaneous included door prizes and food costs for Association Meetings.
- The increase in Management Fees occurred because of the termination of Ann Arbor Realty's contract.

## From the Board of Directors

The financial health of the Association continues to be good. The Association reserves have increased slightly over last year's closing reserve balance. This year's expenditures were higher mostly because of the planned road sealing and repair cost. (This is a 5-year recurring item.) Additionally, snow removal/salting and lawn maintenance costs grew over those from 2001CY, but were close to those of 2000CY. For next year, the Association needs to continue to build the reserves for future expenditures and unanticipated emergency outlays. To accomplish this, the annual dues will remain at \$600 for 2003. *Please review the Collection Policy for payment options and method.*

On a disappointing note, the Annual Meeting held in December was poorly attended. Because a quorum of voters was not present, the Association could not conduct votes on Board member election.

Other business from the Annual Meeting included the introduction of Jeff Leonard from Triangle Management, our new Managing Agent, and a status update on Veri v. Fletcher, the legal dispute delaying further construction on the other three phases of Arbor Ridge. The Board has heard that construction, at least on the extension of Cloverlane Road to Carpenter Road, if not on new homes, might begin later this year. The Directors thank those who took the time to show up, asked questions, and contributed ideas.

In the past year the Directors have worked on the following projects:

- cost control
- street sealing and repair
- assessment of future costs
- bylaws
- architectural control
- reserve management
- collection

In 2003, work will continue in these areas.

The Board is always open to help from individuals interested in their community. To date, and in addition to the Board, we have three active Committees (Website, Welcoming, and Landscaping). Please contact a Board member if you are interested in participating. The Landscaping Committee will be active in 2003 to improve some of the common areas.

In case you did not know, the Association's presence online is at <http://www.arborridge.net/index.html> . Association Documents are available here, as well as email addresses to the Board.

Best wishes for a prosperous New Year!

Arbor Ridge Condominium Association Board of Directors

Larry Voight, President 572-1553

Ron Torrella, Vice President 572-7663

Jeff Fry, Secretary-Treasurer 434-0086

\*To email all Board members: \_\_\_\_\_

**Collection Policy**  
*(effective 4-10-02)*

1. Assessments may be paid in a single payment on January 1<sup>1</sup> or they may be paid in two equal payments on January 1 and July 1. Arbor Ridge Condominium Bylaws provide for a 10-day grace period. [Article II, Section 2] During the grace period no late fees will be assessed.
2. A late fee of \$25 will be assessed, each and every month, beyond the grace period of ten (10) days. Assessments not paid by the close of business on January 10th (or the last business day immediately preceding the 10th) will incur a late fee. Thereafter, each month that assessments (including all late and legal fees) are not paid in full, another \$25 late fee will be assessed. If an outstanding balance of \$100 or more remains for sixty (60) days, a formal collection process will be initiated and a lien warning will be mailed. A copy of the warning will be sent to the Co-owner's mortgagee, per the Bylaws.
3. If full payment is not received within ninety (90) days of the original due date, a lien will be placed on the Co-owner's title. A copy of the lien will be sent to the delinquent Co-owner's mortgagee, per the Bylaws. Outstanding liens will incur an additional \$100 monthly assessment, plus the maximum allowable interest rate retroactive to the first missed due date, until the lien is satisfied.
4. If full payment has not been submitted within 180 days-of the original due date, foreclosure proceedings on the delinquent unit will begin, per the Bylaws [Article II, Section 5].
5. **The Board of Directors will not consider exceptions to this policy.**

The Directors wish to make it clear that if you are delinquent for more than 60 days (past the last business day in February or August), you will likely incur legal fees for which you will be held responsible AND which, if unpaid, will be treated as outstanding assessments (per the Bylaws). That means your balance continues to collect late fees, regardless of its amount. In other words, *make sure your assessment payments reach the Managing Agent on time.*

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<sup>1</sup> Where specific dates are mentioned, the deadline is on or before the close of business on the prior business day, if the date mentioned falls on a non-business day for the Association management.

## ***Examples of Application of the Collection Policy***

- 1) Unit 99 mails a check for six months' assessment on December 31. It reaches The Managing Agent on January 3, beyond the January 1 deadline. However, no late fee is assessed because of the 10-day grace period.
- 2) Unit 101 mails a check for six months' assessment on January 9. It reaches The Managing Agent on January 11. A late fee of \$25 is assessed bringing Unit 101's balance to \$25. Per the Bylaws, this is treated as \$25 of *assessment* owed. Unit 101 should get a reminder notice in the mail stating that there is a \$25 balance owed. Unit 101 ignores the reminder past January 31. \$25 additional late fee is assessed bringing the total balance to \$50. Unit 101 ignores the second reminder mailed in February. After February 28, The Managing Agent contacts the Board, which examines Unit 101's ledger. The Board may decide to pursue collection per the Policy. If the Board decides to pursue collection, the Association Counsel would be contacted to open a collection account on Unit 101 and mail a lien-warning letter in March. This incurs substantial legal fees and another \$25 fine, bringing the balance to over \$140 after legal fees are billed.
- 3) Unit 103 mails a check for six months' assessment, which reaches The Managing Agent on January 10. The Managing Agent submits the check for cashing, but the check bounces. This makes Unit 103 late because the grace period expired, incurring a \$25 late fee. The bounced check incurs a \$40 fee. Unit 103 must now write a new check for \$365 and get it to The Managing Agent prior to the close of business on the last business day in January.

## **Reminders**

- 1) Please remember that ***before starting a project or obtaining Township approval for a project*** you must clear any exterior modifications (for example, decks, fences, major landscaping, new exterior paint colors, satellite dishes, exterior lighting, grade changes) to your Unit with the Architectural Control Committee (currently the Board of Directors). This is basically a formality and not very painful, unless you do not seek approval before starting your project. Contact a Board member and review your Bylaws (Article VI) for further information.
- 2) Please park your vehicles in your driveway when the streets need plowing or when significant snowfall (three inches or more) is forecast. This will keep costs down.

## Budget Review

	2003 Budget	2002 Budget	% Change, 2003/2002
<b>INCOME</b>			
REG. ASSESSMENTS	\$ 33,000.00	\$ 33,000.00	0%
<b>TOTAL INCOME</b>	<b>\$ 33,000.00</b>	<b>\$ 33,000.00</b>	<b>0%</b>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE</b>			
Bank Charges	\$ -	\$ 20.00	-100%
Management Fee	\$ 3,135.00	\$ 3,600.00	-13%
Postage	\$ 80.00	\$ 80.00	0%
Print/Copy	\$ 150.00	\$ 150.00	0%
TAXES	\$ 30.00	\$ -	
LEGAL	\$ 1,000.00	\$ 1,000.00	0%
ACCOUNTING	\$ 500.00	\$ 500.00	0%
INSURANCE	\$ 1,300.00	\$ 1,220.00	7%
<b>UTILITIES</b>			
Water/Sewer	\$ 1,200.00	\$ 1,200.00	0%
Electric	\$ 100.00	\$ 150.00	-33%
<b>LANDSCAPING</b>			
Fertilization/Weeds/Pests	\$ 1,600.00	\$ 2,000.00	-20%
Maintenance	\$ 1,500.00	\$ 400.00	275%
Lawn Contract	\$ 6,000.00	\$ 8,000.00	-25%
Snow Removal	\$ 5,000.00	\$ 5,500.00	-9%
Road Seal/Repair	\$ -	\$ 5,730.00	-100%
Sprinkler Maintenance/Repair	\$ 450.00	\$ 450.00	0%
Improvement Projects	\$ 1,365.00	\$ -	
ASSOCIATION MTG. COSTS	\$ 150.00	\$ -	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 23,560.00</b>	<b>\$ 30,000.00</b>	<b>-21%</b>
<b>RESERVES, INCREMENTAL</b>			
Capital	\$ 9,440.00	\$ 3,000.00	215%
<b>TOTAL EXPENDITURES</b>	<b>\$ 33,000.00</b>	<b>\$ 33,000.00</b>	<b>0%</b>

The 2003 and 2002 Project Budgets are shown in the above table. A few important changes include

- a decrease in overall Operating Expenses for 2003.
- a reduction in the snow removal budget to more closely match the average for the last three years.
- a line item for landscaping improvement (entrance, cul-de-sacs, and/or dry grass areas).
- a reduction in the management costs (thanks to Triangle).

Figure 1 shows a graphical comparison of 2003 versus 2002 Budgets. Figure 2 graphically depicts the relative size of each budget item for 2002.

### 2003 Budget v. 2002 Actual Expenditures

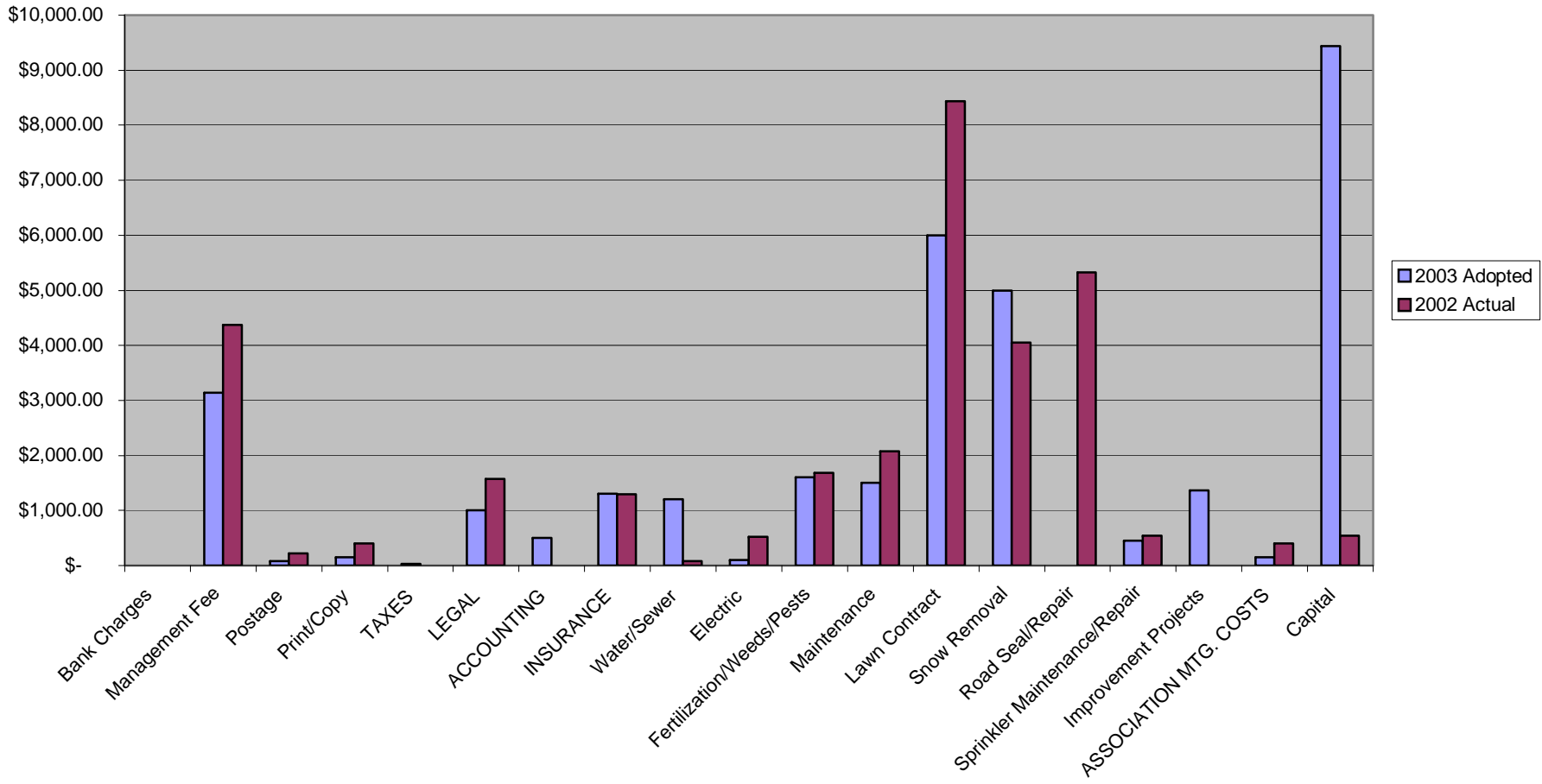


Figure 1. Comparison of 2003 Project Budget and 2002 Actual Expenditure Items

### Expense Breakdown for the Adopted 2003 Budget

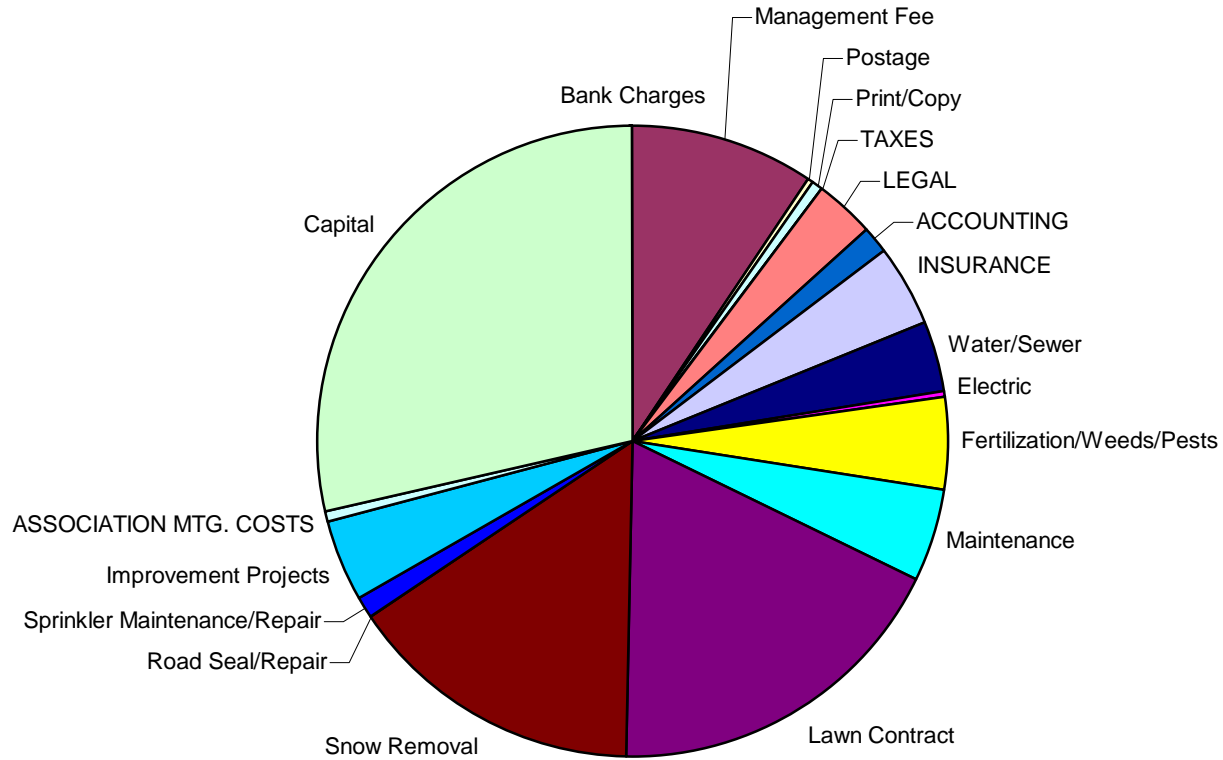


Figure 2. 2003 Budget pie chart graphically showing allocations by size